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America's willingness to provide technology to Peking stirs concern

CHINA IN SEARCH OF HIGH TECH

Peking has disclosed ambitious plans to enter the new age of technology, notwithstanding a very late start. This second in a three-part series looks at the surprising degree of Western cooperation and some of the obstacles for China.

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PEKING — China under Deng Xiaoping, pushing Western technology as the country's highest priority, is finding the Reagan administration increasingly receptive to its requests.

This receptivity has caused some concern by defense experts and some legislators that the technology has military applications and, at some point, might be used against U.S. allies in the Pacific region.

Since November 1983, when President Reagan granted the People's Republic of China a Class V status — a special slot created just for Peking — a streamlined review process has been put into effect for sensitive technology exports.

Seven technology categories are included in this liberalization: computers, computerized instruments, microcircuits, electronic instruments, recording equipment, semiconductor production equipment and oscilloscopes.

Other areas of technology scheduled for increased liberalization are under interagency review with guidelines for two areas already prepared and under review by the Coordinating Committee, also known as COCOM, an international body made up of NATO allies and Japan.

But according to a classified government analysis of technology exports to the PRC obtained by The Washington Times, there exist other sensitive technology areas that worry U.S. officials.

The United States, the report states, attempts to deny the PRC "transfer of advanced production technologies, military-related state of the art technolgy, and weapons systems, and mature, sensitive technology."

Specifically, these include technologies that fall within six "mission areas" of interest to the PRC. They include nuclear weapons and their delivery systems, electronic warfare, antisubmarine warfare, intelligence-gathering, power projection and air superiority.

"Technology of particular concern to DOD are fiber optics and high-speed computers," the document states.

For Chinese officials, obtaining computers and software from the West is one of their highest priorities. Some officials here have gone so far as to say that without computerization in factories, there can be no modernization of China.

While others would dispute that blanket statement, there is no doubt that computers are a hot item here.

Computers of all shapes and sizes were on display at an international high-technology and electronic exhibition held in Shanghai last month.

More than 40 companies, including firms from the United States, Britain, Japan, West Germany and Hong Kong, displayed computers, disc controllers, digital tape drives, production equipment and other advanced electronic devices, hoping to interest Chinese buyers.

Many of these items, at least those originating from or based upon technology from the West, require special export licenses and other approval before they legally can be sold to the PRC.

Such permits, called validated export licenses, have been routinely granted, even though the process can delay a shipment up to nine months.

In fact, the number of license applications submitted to the Department of Commerce last year was twice the number since 1982, officials say.

As a result of the new policy, requests by U.S. firms to transfer technology to the PRC have increased. In the first 10 months of this year, the Commerce Department received 4,652 export license applications, of which 3,809 have been approved. Their value totals $1.26 billion.

The United States, under international agreement, also must submit requests for sensitive technology exports to China to COCOM, which must give unanimous approval before the commodity can be shipped.

According to official estimates, 90 percent of all U.S. submissions to COCOM this year were for exports to the PRC. Among all COCOM nations, 84 percent of all submissions were for the PRC. As of mid-November, COCOM has not turned down a single Peking request with nearly 1,200 of the 1,800 U.S. requests already approved by mid-October.

But certain exports do give the Reagan administration pause. "For foreign policy considerations, the U.S. has denied to the PRC export licenses for certain crime control and detection instruments, equipment and related technical data in order to distance the U.S. from potential human rights violations associated with such items," the classified report states.

High-speed computers are another concern. A VAX 11/780 computer system, which the Chinese have said is to be used for seismic analysis, has been held up "pending placement of conditions to limit the computer's use for other applications, specifically in the nuclear and anti-submarine warfare areas," the report states.

Military sources say that the software or programming for seismic analysis is similar to that used in nuclear testing to analyze underground shock waves and to detect enemy submarines through acoustic patterns in the water.

Beyond that, the speed and capability of the computer system itself would allow the Chinese to encrypt information and change codes rapidly — a capability that is said to concern U.S. intelligence officials.

"As long as there exist six mission areas in which we believe Chinese capabilities should not be supported, we would not be willing to remove China from the proscribed destinations," the report concludes.

But many computers are being sold. IBM has sold and installed 31 mainframe computers here since 1979 and expects to sell 60 more by the end of next year.